



DEPARTMENT OF DEFENSE
CIVILIAN PERSONNEL MANAGEMENT SERVICE
1400 KEY BOULEVARD
ARLINGTON, VA 22209-5144

JUL 27 2000

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Voluntary Early Retirement Authority (VERA)

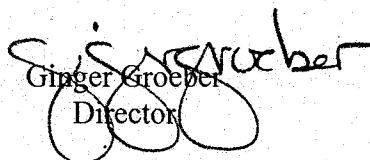
The Office of Personnel Management (OPM) has granted the Department of Defense (DoD) the authority to approve early retirements for Fiscal Year (FY) 2001. Although we specifically requested multiple year authority, OPM granted authority only for the upcoming FY. Under this new authority, voluntary early retirements may be offered October 1, 2000 through September 30, 2001.

A copy of OPM's July 10, 2000, letter providing VERA authority is at attachment 1. The OPM authority letter contains information on their reporting requirements and specified reporting format. Please pay particular attention to the fact that OPM has changed their reporting format for the next FY and they require agency reports to follow the new format.

The DoD guidance for implementing VERA within your agency is at attachment 2. This guidance includes the procedures for submitting VERA requests and the DoD reporting format. The DoD guidance provided in this memorandum is similar to the guidance provided in previous years.

Upon DoD approval, activities may continue to offer targeted, early retirements within established window periods. As with the FY 1999 and FY 2000 VERA requests, targeting may be based on any combination of organizational components, geographic areas, occupational series or grade levels, or other nonpersonal and objective factors.

Should you require additional assistance or more information about the attached guidance, please contact the CARE Division staff at (703) 696-1799 (DSN prefix 426).


Ginger Groeber
Director

Attachments:
As stated



United States
**Office of
Personnel Management**

Washington, DC 20415-0001

In Reply Refer To:

Your Reference:

JUN 10 2000

Ms. Ginger Groeber
Director, Civilian Personnel
Management Service
Department of Defense
1400 Key Boulevard
Arlington, VA 22209-5144

Dear Ms. Groeber:

Based on your agency's request, the Office of Personnel Management (OPM) has determined the existence of a major reduction in force within the Department of Defense (DoD). Because of this determination, OPM is authorizing the use of voluntary early retirements under 5 U.S.C. 8336(d)(2), 5 U.S.C. 8414(b)(1)(B), and section 7001, Public Law 105-174 (as amended by Public Law 106-58). OPM is authorizing the voluntary early retirement option under 5 CFR §§ 831.114 and 842.213.

The following employees are not eligible for voluntary early retirement under this authority:

- (1) Any employees who have not been continuously on the agency's rolls since at least 31 days before the date of your request, June 19, 2000;
- (2) Employees serving under time-limited appointments;
- (3) Employees in receipt of a decision of involuntary separation for misconduct or unsatisfactory performance; and
- (4) Others (as requested by agency): none.

Otherwise, subject to offers by the agency, the authority covers all employees within DOD.

DOD may offer voluntary early retirements from October 1, 2000 through September 30, 2001, subject to the provisions, limitations, and instructions outlined in this letter and implemented by 5 CFR §§ 831.114 and 842.213 and OPM guidance.

Your OPM Authority Number is 2001-001.

The agency may determine the coverage of offers to eligible employees under this authority based on any combination of organizational components, geographic areas, occupational series or levels, or other nonpersonal and objective factors. These offers can be established on the agency's own initiative after OPM approval.

The agency may establish early retirement window periods during which early retirements are offered. These windows may be established for any duration during the authority period approved by OPM. The agency may limit window periods only by an established opening and closing date which is announced to employees at the time of the initial offer or by receipt of a specified number of applications for retirement, provided that, at the time of the initial offer, the agency notified employees that the agency retained the right to limit voluntary early retirements on that basis. The agency may subsequently establish and publicize a revised closing date, or a revised number of applications, only when changes in the conditions that served as the basis for the approval of the voluntary early retirement authority have occurred. The revised closing date, or number of applications, may be applicable to the entire authority, or only to employees in specific organizational unit(s), occupational series or level(s), or geographic area(s).

This authority does not constitute delegation of OPM's authority to oversee any aspect of the voluntary early retirement program. Also, this authority has been granted based on information contained in your request concerning the number of excess employees in the agency, the number of employees eligible for voluntary early retirement, and the number of employees expected to exercise the early retirement option. The agency must use early retirements only to the extent necessary to achieve reductions in the workforce that result from the budget reductions, reorganizations, loss of work, or closure outlined in the agency's request to OPM.

The agency, through its headquarters human resources office, must notify OPM if, at any time, further use of voluntary early retirement will no longer accomplish the objectives stated in the agency's request to OPM for authority. OPM may suspend or terminate an authority if OPM determines that the agency is no longer undergoing the major reorganization, major reduction in force, or major transfer of function which formed the basis for OPM's approval of the authority; if the agency is not in compliance with the reporting requirements or reporting schedule provided to the agency in this approval letter; or to ensure that early retirement programs are operated in a manner which is consistent with applicable laws or regulatory requirements.

The agency may adopt any fair and objective method for approving applications if the agency finds that it must limit voluntary early retirements among its employees. We expect that all possible steps will be taken to ensure no coercion is exercised by agency managers or employees against an employee who is eligible to retire.

Please be sure to include employees eligible for voluntary early retirement in your regular retirement counseling activities.

Ms. Ginger Groeber

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As in other retirement situations, at least the last five years of their service must have been covered under the Federal employee health benefits and life insurance programs in order to continue coverage under those programs in retirement. Refer to OPM's Retirement and Insurance Service Benefits Administration Letter 96-208, December 4, 1996, for information regarding this requirement.

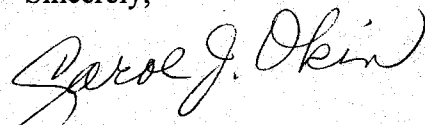
For each voluntary retirement, the individual retirement record [Standard Form 2806 for Civil Service Retirement System(CSRS) or Standard Form 3100 for Federal Employees Retirement System (FERS)] must show the appropriate CSRS or FERS authority. A statement similar to the following should appear on the last line used for the service history portion of the form: RET 5 U.S.C. 8336(d)(2), or RET 5 U.S.C. 8414(b)(1)(B); OPM Authority Number: 2001-001.

Standard Forms 50 used to separate employees who are retiring under this authority should use the following nature of action codes:

<u>Block</u>	<u>Code-CSRS</u>	<u>Code-FERS</u>
5-A	303	303
5-B	Retirement-Special Option	same as CSRS
5-C	V3P	USM
5-D	5 U.S.C. 8336(d)(2)	PL 99-335
5-E	AZM	same as CSRS
5-F	OPM Auth. 2001-001	same as CSRS

Please furnish interim reports on the use of this authority based on the information in the enclosure. Please review closely the reporting requirements in the enclosure to determine the tracking requirements for the required data. A final report is due 60 days after the final closing date of the authority.

Sincerely,



Carol J. Okin
Associate Director
for Employment

Enclosure

INSTRUCTIONS FOR REPORTS TO OPM ON USE OF VOLUNTARY EARLY RETIREMENT AUTHORITY

1. Agencies using early retirements are required to submit data to OPM regarding early retirement activity. This report is included.
2. Agencies are required to provide periodic and final reports to OPM on the use of voluntary early retirement authorization and buyouts. In order to track and evaluate trends, help anticipate staffing needs in OPM's Retirement and Insurance Service (to allow prompt processing of retirement applications), and to meet other reporting requirements, agencies must provide activity summaries, quarterly interim reports, and final reports on a timely basis.
3. **Types of Reports**
 - a) Quarterly Interim Reports: An interim report is due 30 days after the end of each quarter following approval of the authority. The quarterly interim report should include data specific to the quarter which just closed as well as cumulative fiscal year data (as of the end of the fiscal quarter that the report covers).
 - b) Final Reports: A final report is due 60 days following the closing date of the authority.
 - c) Activity Summaries: Agencies are urged to forward quarterly summaries to OPM which highlight where voluntary early retirements will be offered.

CONTENT OF REPORTS

1. Each report to OPM on the use of a voluntary early retirement authority must contain the information in the attached sample (see).
2. Agencies **MUST** use the reporting format included with the authority. **DO NOT USE ANY OLD REPORTING FORMAT WITH NEW AUTHORITY REPORTS.**
3. Although this report is essentially identical to the reporting format used for the last year, agencies are advised to carefully review this reporting format before offering early retirements in order to anticipate and track the data required in this report.
4. Agencies should submit a completed report to OPM even if there has been no early retirement activity in the agency. Otherwise, OPM cannot determine whether the agency had no activity, failed to report, or that the report was not complete when it reached OPM. Reports should cover activity occurring only during the period of the authority.
5. OPM may suspend or terminate an authority if the agency fails to comply with the reporting requirements included in the authority.

WHERE AND WHEN AGENCIES SHOULD REPORT

1. Where to Send Reports : Please complete the report and send it to:

Office of Personnel Management
Employment Service
Workforce Restructuring Office
Room 6557
1900 E Street, NW
Washington, DC 20415.

2. You may fax a copy of the report to (202) 606-2329.

3. Reporting Schedule

QUARTER	QUARTER ENDING DATE	REPORT DUE BY
First	December 31	January 30
Second	March 31	April 30
Third	June 30	July 30
Fourth	September 30	November 30

(FINAL for FY)

(Note that final FY report is due 60 days after end of FY)

4. At the beginning of a new fiscal year, the report should include data with respect only to that new fiscal year (i.e., there is no need to report cumulative data which covers multiple fiscal years).
5. Failure to Report : OPM may suspend or terminate the voluntary early retirement authority in cases in which agencies fail to meet reporting deadlines or requirements.

REPORT TO OPM ON USE OF VOLUNTARY EARLY RETIREMENT AUTHORITY

ALL AGENCIES SHOULD USE THIS FORM.
THIS FORMAT SUPERSEDES PREVIOUS REPORTING REQUIREMENTS

Department or Agency: _____

Date of Report: _____

OPM Early Retirement Authority Number: _____

QUARTER				FISCAL
1st	2nd	3rd	4th	YEAR
(circle quarter)				<u>TOTAL</u>

VOLUNTARY EARLY RETIREMENTS

(1) Number of voluntary early retirements:

- | | | |
|---|-------|-------|
| (a) Number of employees receiving an offer:
(provide the number of employees eligible for early retirement
who were offered an opportunity to retire under this authority). | _____ | _____ |
| (b) Total early retirements: | _____ | _____ |
| (c) Average age of early retirees: | _____ | _____ |
| (d) Average grade of early retirees | _____ | _____ |

(2) Was reduction in force (RIF) used?

_____ NO (go to #4) _____ YES (complete 3 & 4)

(3) Number of employees affected by reduction in force (RIF):

- | | | |
|------------------------------|-------|-------|
| (a) Total RIF separations: | _____ | _____ |
| (b) Total RIF downgrades: | _____ | _____ |
| (c) Total RIF reassignments: | _____ | _____ |

(4) Other attrition that occurred:

- | | | |
|-------------------------------|-------|-------|
| (a) Other retirements: | _____ | _____ |
| (b) Other resignations: | _____ | _____ |
| (c) Other transfers | _____ | _____ |
| (d) Other: | _____ | _____ |
| (e) Total separations in a-d: | _____ | _____ |

Voluntary Early Retirement Authority (VERA) Request Guidance and Procedures – Fiscal Year 2001

All VERA requests must adhere to the guidance and procedures delineated below. This guidance is based on OPM approval dated July 10, 2000. The VERA Request Format is attached.

Request Considerations

- Only employees on DoD rolls on or before May 19, 2000, are eligible to receive a VERA.
- Employees serving under time-limited appointments, as well as employees in receipt of a decision of involuntary separation for misconduct or unsatisfactory performance, will not be given a VERA offer.
- VERAs may be based on occupational series or grade, as well as organizational, geographical, and nonpersonal and objective factors, or any combination of these factors.
- The number of VERAs requested should not exceed the number of employees eligible for VERA within the specified organization and geographic area.
- Each DoD installation requesting VERA authority should determine the maximum number of VERA approvals and the anticipated number of opportunity periods (windows) required.
- Multiple opportunity periods (windows) may be used to more closely meet organizational needs.
- An approved request for a group of early retirements need not be used at one time. The organization may choose to open one opportunity period or several opportunity windows to achieve the total retirements within its overall authority. For example, twenty-five applications could be solicited and approved during each of five different opportunity windows in order to reach the desired total.
- When multiple opportunity windows are used, the covered employees must be informed, by an announcement made prior to receipt of applications, of these limitations and the separate opportunity windows which may not exceed the time limits of the overall authority. In the event that approved nonpersonal factors other than leave service computation date are used to determine early retirement eligibility, these factors must be included in the announcement.
- General announcement of a single opportunity period should indicate the dates for opening and closing, the number of anticipated VERAs, and any approved nonpersonal and objective factors being considered.

- The request for this authority must specify that multiple opportunity windows are anticipated in reaching the early retirement goal.
- When a Fiscal Year (FY) 2001 approved authority must be modified, an amended request specifying only the information relating to new requirements may be submitted using the procedures specified in this guidance. Significant new requirements may necessitate submission of a request for a new authority.
- A request may cover more than one organizational element and more than one geographic location.
- The timeframe for a specific request may not exceed September 30, 2001.
- Multiple requests may be batched for ease of administration and processing. A batch request should clearly identify each VERA authority required.
- Retiring employees must be off the rolls by the expiration or termination date (RIF effective date) of the approved authority; VERA recipients may not be retained in a duty status after the effective date of the respective RIF for any reason.

Submission Process

Requests for new early retirement authorities or to terminate or amend existing authorities will be submitted through the chain of command to the Civilian Assistance and Re-Employment (CARE) Division, Civilian Personnel Management Service (CPMS).

Request Content

Requests must contain all of the information detailed in the VERA Request Format attached. The information provided must clearly delineate the scope (e.g., organization, geographic location, occupation, timeframe) and the nature (e.g., opportunity period(s) and total number of required early retirements). This information is critical in assessing the request. The absence of adequate or complete information may delay processing.

Voluntary Separation Incentive Pay (VSIP) and VERA

VSIP (buyout) procedures remain the same. Targeting of buyouts based on occupational series and grades continues to be an effective management tool. Employees who receive VSIP may or may not be the same as those who retire under VERA.

Under DoD's authority, VERA may be used in conjunction with the Expanded VSIP Program. Activities offering VSIP and VERA in conjunction with the expanded program will use Authority Number 2001-001-999 through FY 2001.

Reporting Requirements

A final report must be forwarded through the chain of command to the CARE Division not later than thirty days following the expiration or termination of the delegated authority. The attached report format is provided for this purpose.

**Voluntary Early Retirement Authority (VERA)
Request Format - Fiscal Year 2001**

1. Justification: State the reasons why the VERA is needed, including a detailed explanation of the organization's personnel and budgetary situation resulting in surplus civilian personnel. [If this is an amendment, specify the authority that is being amended, describe the reasons for the amendment, and provide information below relating only to the new requirements.]
2. Scope and Nature of Request:
 - a. Area of Application: Specify the organizational unit(s), geographical area(s), occupational series or level(s), or other nonpersonal factor(s) to which the VERA will apply. If occupational series or level(s) are not going to be targeted, indicate that VERA will be extended to all employees within the specified area.
 - b. Timeframes:
 - (1) Provide the starting and ending dates for the requested authority. This timeframe and/or opportunity period may cover all or any portion of the remainder of Fiscal Year (FY) 2001, but may not extend beyond September 30, 2001. All VERA takers must retire during the specified opportunity period. The ending date must not be later than the effective date of the planned reorganization, reduction in force (RIF), or RIF resulting from transfer of function (TOF) shown in number 3 below. [Organizations requesting VERA should keep in mind the "third of the month" deadline. Civil Service Retirement System employees who retire after the third of the month lose the annuity for that month. Under the Federal Employees Retirement System, all annuities based on voluntary retirement begin on the first day of the month following separation.]
 - (2) Within this opportunity period, activities may open and close multiple opportunity periods/windows, control the timing, number of windows, and total VERAs per window. Identify whether the activity will use opportunity windows and any nonpersonal factors that will be used to manage the approval of applications (leave service computation date need not be identified as a nonpersonal factor when used in conjunction with Voluntary Separation Incentive Pay (VSIP) as directed by DoD policy).
3. RIF Effective Date:
4. Employee Information: (Within the specified area of application)
 - a. Total number of permanent employees:
 - b. Total number of temporary employees:

- c. Permanent employees expected to leave the organization voluntarily (i.e., attrition) before the planned effective date of the RIF:
 - d. Total number of Senior Executive level (SES, ST, SL) or equivalent positions that will be affected by the request: [Generally, for each position identified, there must be a reduction of one high-grade or SES-equivalent position.]
5. After attrition, the estimated number of permanent employees covered (within the specified area of application) by the request who would:
- a. Be separated by RIF:
 - b. Be demoted:
 - c. Be eligible for VERA:
 - d. Accept VERA:
 - e. Not be separated or demoted because of projected early retirements:
(Number of early retirements requested)
6. Projected number of early retirements that will not avoid RIF separations or downgrades:
7. Any outstanding early retirement reports from previous authorities granted by the Department of Defense/Office of Personnel Management [late reports will delay approval of your request]:
8. Name, title, telephone number, and fax number of an organizational contact for the requested VERA:

Forward the VERA request through the chain of command to Defense Civilian Personnel Management Service, CARE Division, Suite B-200, 1400 Key Boulevard, Arlington, VA 22209-5144.

**Voluntary Early Retirement Authority (VERA)
Report Format - Fiscal Year 2001**

A final report is due no later than 30 days after the expiration or termination of the VERA. Completed reports should be forwarded through the chain of command to the Defense Civilian Personnel Management Service, CARE Division, 1400 Key Boulevard, Suite B-200, Arlington, VA 22209-5144.

Supporting Civilian Personnel Office:

Voluntary Early Retirement Authority Number:

1. Number of voluntary early retirements - VSIP paid:

- (a) Total early retirees: _____
- (b) Average age of early retirees: _____
- (c) Average grade of early retirees: _____
- (d) Average amount of VSIP: _____

2. Number of voluntary early retirements - no VSIP paid:

- (a) Total early retirees: _____
- (b) Average age of early retirees: _____
- (c) Average grade of early retirees: _____

3. If RIF was used, number of employees affected:

- (a) Total RIF separations: _____
- (b) Total RIF downgrades: _____
- (c) Total RIF reassignments: _____

4. Attrition other than VERA:

- (a) Retirements: _____
- (b) Resignations: _____
- (c) Transfers: _____
- (d) Other: _____
- (e) Total: _____

5. Number of employees eligible for early retirement who were offered an opportunity to retire under this authority: _____

6. Number of new employees placed in vacancies created by VERA: _____

Supplemental Instructions for Voluntary Early Retirement Authority (VERA) Approved in Fiscal Year 2001

The Civilian Assistance and Re-Employment (CARE) Division has approved your request for VERA as authorized by the Office of Personnel Management on July 10, 2000.

This authority has been granted based on information contained in your request concerning the number of excess employees in your activity, the number of employees eligible for voluntary early retirement, and the number of employees expected to exercise the early retirement option. This authority may not be used to affect early retirement of any employee not covered by the justification provided in your VERA request. We require that you advise the CARE Division if any of these factors change.

Otherwise eligible employees on temporary appointments or those who have not been continuously employed by DoD since May 19, 2000, are excluded from consideration for early retirement. Also excluded are employees in receipt of a final notice of involuntary separation for misconduct or unacceptable performance. Additionally, a VERA recipient may not be retained in a duty status after the effective date of the respective reduction in force (RIF) for any reason.

If you specified the use of multiple opportunity windows in your original request, you may manage these windows by established opening and closing dates or by prescribed limits on the number of VERA offers when these controls are announced prior to the opening of the respective window. Once a window is announced, the time period, the number of applications authorized, or the use of any announced nonpersonal factors can only be modified when the circumstances used to justify the VERA request have changed significantly. Any such modifications will require notification to the affected employees in order to insure a balance between employee entitlement and management considerations. These revisions may be applicable to the entire authority or only to employees in specific organizational units, occupations or geographic areas.

If it is necessary to amend the basic authority, an abbreviated request/amendment will be required. The Request Format is used for this purpose; however, only information relating to the new management requirements is submitted. Substantial new requirements may necessitate submission of a new VERA request.

The results of a VERA should, as a minimum, reflect one employee saved from separation, demotion, or relocation to a different commuting area, under RIF procedures, for each early retiree. All possible steps will be taken to ensure no coercion is exercised by agency managers or employees against an employee who is eligible to retire. Retiring employees must be off the rolls by the expiration or termination date (usually RIF-effective date) of this approved authority.

For each voluntary early retirement, the individual retirement record (Standard Form 2806 for CSRS or Standard Form 3100 for FERS) must show the appropriate authority. For this purpose, a statement similar to the following should appear on the last line used for the service history portion of the form for CSRS and FERS, respectively: RET 5 U.S.C. 8336(d)(2), or RET 5 U.S.C. 8414(b)(1)(B); OPM Authority Number 2001-001-____*.

Standard Forms 50 used to separate employees who are retiring under this authority must use the appropriate nature of action codes:

<u>Block</u>	<u>Code-CSRS</u>	<u>Code-FERS</u>
5-A	303	303
5-B	Retirement-Special Option	Retirement-Special Option
5-C	V3P	USM
5-D	5 U.S.C. 8336(d)(2)	5 U.S.C. Chapter 84
5-E	AZM	AZM
5-F	OPM Auth. 2001-001-____*	OPM Auth. 2001-001-____*

* 3 digit DoD VERA identification number assigned by DoD, CARE Division.

Please review the reporting requirements (attached) to determine tracking requirements for the required data. A final report must be forwarded to the CARE Division no later than 30 days following the expiration or termination of your VERA.